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STATE FOR ISN/CPI (RUGGIERO), NEA/IR (MISKO)
TREASURY FOR TFFC (LOEFFLER)

E.O. 12958: DECL: 04/01/2017

TAGS: [EFIN](#) [PARM](#) [KNNP](#) [IR](#) [UK](#)

SUBJECT: USG CONCERNS ABOUT IMPLEMENTATION OF UNSCR 1747
WITH RESPECT TO BANK SEPAH

REF: SECSTATE 40440

Classified By: Economic Counselor Sandra Clark for reasons 1.4(b) and (d)

(C) The UK has taken a number of measures to ensure that Bank Sepah's assets have been frozen and that there is no asset flight. According to Patrick Guthrie of HM Treasury, the Financial Services Authority (FSA - the single UK financial services regulator) had issued an assets requirements order on March 20 which prohibited Bank Sepah from moving any of its assets overseas. The Bank of England subsequently froze Bank Sepah's assets on March 24, the day UNSCR 1747 was approved. Since then, the Bank of England, the FSA, and HM Treasury have been closely monitoring Bank Sepah, and have been in near daily touch with Bank Sepah regarding its balance sheet. Guthrie was unaware whether either the Bank of England or the FSA had been in direct contact with Bank Sepah's correspondent banks in London, but said that he would be in touch with both entities to raise the issue.

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